

Date: April 12, 2023

To: Representative Duchow, Chair and Members of Assembly Committee on Financial Institutions

Re: Public Comment in Support of AB 121 / SB 122

From: Pamela Hencke, Disability Rights Wisconsin, pamelah@drwi.org

Thank you for the opportunity to provide testimony in support of AB 121 and SB 122, which would make it easier for Wisconsin residents to establish tax-exempt savings accounts for people with disabilities under the Achieving a Better Life Experience Act (ABLE).

Disability Rights Wisconsin is the federally mandated Protection and Advocacy agency for our state, charged with protecting the rights of Wisconsinites with disabilities. Our mission is to advance the dignity, equality, and self-determination of people with disabilities.

ABLE accounts can be an important tool to support people with disabilities to advance independence and self-determination. ABLE accounts were established by Congress to allow individuals with disabilities to save and invest money without affecting eligibility and benefits under Social Security and Medicaid. This flexibility is important because Medicaid funded programs that people with disabilities rely on to live independently, such as Family Care and IRIS, have strict asset limits (\$2000) that make it impossible to save for rent deposits, down payments on vehicles or homes, and other routine expenses.

Although ABLE accounts can be very beneficial for people with disabilities, very few Wisconsin residents have established ABLE accounts to date and there has been limited awareness of this option. As noted in the September 2022 report from the Wisconsin Department of Financial Institutions *Report and Recommendations on Establishing an ABLE Program for Wisconsin Residents*, "Wisconsin is the only state that has neither established an ABLE program nor tasked a public agency or other public body with helping residents open and utilize ABLE accounts" (page 4).

As reported by DFI, while Wisconsin's ABLE-eligible population is estimated at 142,510, the Department of Revenue reports that fewer than 300 filers (equivalent to roughly 0.2 percent of the ABLE-eligible population in Wisconsin) claimed an income tax deduction for ABLE account contributions in either 2020 or 2021 (page 6). Wisconsin residents can open ABLE accounts in programs administered by other states, however many people with disabilities and families are unaware of ABLE accounts, or struggle to find information and make decisions about how to set them up.

DRW supports AB 121/ SB 122 because this legislation has the potential to improve awareness of and access to ABLE accounts for Wisconsinites with disabilities and their families. This bill requires DFI to implement and administer a qualified ABLE program, either

directly or by entering into an agreement with another state or alliance of states to establish an ABLE program or otherwise administer ABLE program services for the residents of this state. We appreciate the work of the Legislature in commissioning the report from DFI, and believe the report provides analysis and recommendations to help move Wisconsin forward with expanding access to ABLE accounts. This bill would move those recommendations forward.

In addition to speaking on behalf of Disability Rights Wisconsin, I also wear a parent hat and speak from lived experience. Raising a child with disabilities requires a constant strain financially and emotionally on daily living. Having an ABLE program in Wisconsin would give ease of access and an added peace of mind for families. Even the most financially savvy families are challenged with having to research ABLE programs in other states to find the best program for their loved one. Again, being tasked with one more thing to do when plates are already overflowing. Personally, having the ability for my son to use his own money, to buy his own items, is something we all dream of. If my son wants to get fast food or buy an assistive technology support such as a new app for his iPad, or a new switch adapter for a toy, basically any overall expense that would improve his independence or quality of life, he should be allowed to with his own money. Having my son who is 14 years old, be able to choose an item at a store with his own birthday money and use his own account, and then pay for it, like what his siblings and friends also do, tops the pride list when you see this as a parent and is the right thing to do. If our son has a smile from cheek to cheek at 14 when spending his own money, also think about that 25-year-old disabled in an auto accident or the 40-year-old disabled veteran.

We all want to be able to make our own choices, especially how we save and spend our own money. Having extra money available for our son's personal caregivers because a grandparent wants to be able to help pay for a support so my husband and I can step away for an evening, again is life-changing for families to take a break. Having additional funds available for personal supports as a twenty-something year old adult is equally as life changing. ABLE accounts allow for a place for these monies to be saved and used when necessary. These individuals did not choose their disability, so at least let them choose how they truly spend their own money. We want to be a leader here in Wisconsin, not the only state without an ABLE account for disabled residents. Let us continue to build that confidence for our disabled population that we are looking out for them.

For these reasons, Disability Rights Wisconsin supports AB 121 and SB 122 and asks legislators to advance this important legislation to increase access to and awareness of ABLE accounts and support opportunities for independence and self-determination for Wisconsinites who have a disability.

Sources:

Report and Recommendations on Establishing an ABLE Program for Wisconsin Residents, State of Wisconsin Department of Financial Institutions, September 1, 2022